

BellSouth Telecommunications, Inc.
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REGULATORY AUTH.

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April 18, 2001
OFFICE OF THE
EXECUTIVE SECRETARY

Joelle J. Phillips
Attorney

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**VIA TELECOPIER
(615) 741-5105**

Honorable Richard Collier
Hearing Officer
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: *Second Complaint of Discount Communications Against BellSouth Telecommunications, Inc.*
Docket No. 00-01151

Dear Mr. Collier:

I write to update you concerning certain developments in the above-referenced matter.

Effective April 19, 2001, the bankruptcy court in Memphis has dismissed the Chapter 11 case filed by Discount. As you may recall from the discussion at the March 21, 2001 status conference, the U.S. Trustee had sought dismissal of the case. The U.S. Trustee's motion was granted on April 5, 2001, without opposition by Discount, but the dismissal was made effective April 19 in order to accommodate negotiations between the debtor and the Tennessee Department of Revenue concerning tax obligations.

As you will also recall, during the March 21, 2001, status conference, it was decided that Discount would begin, on April 15, 2001, making monthly payments of \$8,000 on the undisputed amounts owed to BellSouth. BellSouth has not yet received that payment. Discount was also ordered to begin making larger payments into the existing escrow account, beginning on March 22, 2001. Discount began making payments into the existing Waring Cox escrow account, at the new amount of \$2,800, on March 23, 2001. The modified AmSouth escrow

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account has not been established, pending entry of the agreed order submitted on March 26, 2001.

Please feel free to contact me if you have any questions concerning the foregoing.

Cordially,

A handwritten signature in cursive script, reading "Joelle Phillips". The signature is written in dark ink and is positioned above the printed name.

Joelle Phillips

JP/jej

cc: Henry Walker
Guy Hicks